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CENTRAL INTELLIGENCE AGENCY
WASHINGTON 25, D. C.*delivered to Legal Staff
24 Aug 50. To the Director
(original + copy - 24 Aug 50)***MEMORANDUM**

SUBJECT: The Procedure by which the CIA has participated in the screening of exports of strategic commodities.

1. The authority to control exports on grounds of (a) national security, (b) foreign policy, and (c) short supply was delegated to the President by the Export Control Act of February 1949. This act required that the agency or official exercising such authority should consult with other agencies which are concerned with national security.

2. The authority to control exports was delegated by the President to the Secretary of Commerce.

3. In connection with the exercise of the authority to control exports, the Secretary of Commerce established the Advisory Committee on Requirements and invited representatives from the following agencies:

Department of Defense
Department of State
Department of Agriculture
Department of Interior
NSRB
AEC
ECLA
CIA
Office of Industry and Commerce of Department
of Commerce
Office of International Trade of Department
of Commerce
Other agencies from time to time.

4. CIA was invited, by letter from the Assistant Secretary of Commerce, to participate in the work of the Advisory Committee and its Operating Sub-Committee and to advise the Secretary of Commerce on the security aspects of export control.

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5. CIA participated in the preparation of the original security list of strategic items which should be controlled. Since the establishment of the original export control list the CIA representative has regularly participated in an advisory capacity, in the consideration of the security classification to be assigned to items for export control listing (1-A for embargo, 1-B for quantitative restriction, etc.).

6. In general, the advice of CIA has been presented during the course of committee discussions, after consultation with various CIA components and staff members concerned.

7. CIA has generally favored more extensive (in number of items or classifications) and more severe (smaller quantities) controls than have been approved by the Secretary of Commerce. In the day-by-day and item-by-item discussions, CIA has been opposed to the position taken by the ECA and Department of State representatives about 99 percent of the time. Those agencies have favored what seemed to CIA to be essentially a program of trade promotion, permitting only a very limited and selective security list. In contrast, CIA has sought to subordinate trade considerations to the interest of security.

8. Specifically, CIA has: (a) made strenuous efforts during the past year to prevent the decontrol or down-rating of numerous classes of what CIA considered to be strategic commodities, (i.e.,) Diesel engines, advanced types of metal-working machinery, and precision instruments, chemical equipment, petroleum refining equipment, transportation equipment (rail and road, including especially motor truck spares and multiple-drive vehicles), precision bearings, non-ferrous metals, etc.; (b) opposed vigorously the effort of ECA and State to gain approval of a request for a general exemption of all ECA-financed shipments from export control (earlier with respect to Europe and later with respect to South Korea); (c) supported vigorously the Defense Department in efforts to re-control and up-rate transportation items against the vigorous opposition of ECA and State; (d) endeavored to gain approval for the prompt application of rigid export control to Communist China and North Korea against the opposition of ECA and State; (e) opposed the treatment of Austria as an ECA country for export control purposes because it, in effect, authorizes a large loop-hole through which the Soviets obtain important supplies of strategic commodities;

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(f) opposed ECA-financed shipment of highly strategic plant and equipment to ERP countries which would increase and improve the production of security items which those countries are known to be sending to the Soviet orbit.

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